

In the Matter of)
) WC Docket No. 02-60
Rural Health Care Support Mechanism) DA 12-1166

The University of Arkansas for Medical Sciences (“UAMS”), by undersigned counsel, hereby submits these comments to the Federal Communications Commission (“Commission”) pursuant to the July 19, 2012 Public Notice¹ requesting supplementation of the record with respect to reforms to the universal healthcare support mechanism.

UAMS not only serves as Arkansas's only academic medical center, but the University also is a leader in the state for providing assistance to rural healthcare facilities in acquiring and sustaining broadband speeds capable of facilitating participation in telemedicine and other broadband health applications. In 2007, UAMS was approved for a \$4 Million FCC Rural Health Care Pilot Program ("Pilot Program") award, which seeks to install 1.5 Mbps broadband lines at over 100 healthcare facilities in Arkansas. Since that time, UAMS has partnered with over 400 healthcare facilities in Arkansas to specifically connect their facilities to a statewide broadband network aimed at increasing access to specialty healthcare and distance education in rural areas. In 2010, UAMS was awarded a Broadband Technology Opportunities Program ("BTOP") Comprehensive

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Community Infrastructure award that supports a \$128 Million project to extend upgraded broadband and interactive video equipment to 474 healthcare, higher education, public safety, and research institutions in Arkansas. As such, UAMS has extensive experience in building health infrastructure that specifically meets the needs of rural facilities in Arkansas, a state where every county contains medically underserved or healthcare provider shortage areas.

Additionally, the availability of affordable connectivity will be a crucial component of UAMS' efforts, in partnership with its healthcare partners across various rural sections of the state, to ensure the sustainability of these vital networks. Thus, rules related to healthcare consortia and broadband rates for rural healthcare entities have an enormous impact on UAMS and subsequently hundreds of providers and thousands of patients throughout the state of Arkansas. Finally, UAMS notes that on September 8, 2010, it submitted Comments in this proceeding with respect to the universal healthcare support mechanism, in response to the Commission's Notice of Proposed Rulemaking released on July 15, 2010.

II. Section I - Consortia

UAMS supports the Commission's work to assist Pilot projects (which are consortia of health care providers ("HCPs")) successfully transition to the proposed Broadband Services Program. Adoption of the proposed Broadband Services Program will help ensure that the successful efforts of the Pilot projects will lead to the creation of sustainable, thriving healthcare networks that will, in turn, result in better health outcomes for rural communities and support the survival of rural HCPs in the rapidly evolving and competitive healthcare industry. As healthcare reform efforts cause HCPs

to shift toward more episodic and outcomes-based healthcare, these providers will require a greater degree of integration with other HCPs than ever before. If HCPs are not provided the tools and network capabilities needed for this level of integration, they risk losing reimbursement from both public and private payers and their very survival could be put in jeopardy. To help ensure that rural HCPs have the tools needed to survive - and indeed thrive – UAMS respectfully submits these comments on the issue of consortia.

A. Section I(a) - Consortium Application Process

Based on its experiences, UAMS believes that the consortium application process could be streamlined by developing an alternative to requiring “hard-copy” written letters of authorization (LOAs) from each participating entity. As consortia grow larger in an effort to provide greater benefits to their communities and their existing HCPs, and as HCPs continue to consolidate and enter increasingly complex ownership arrangements, the administrative efforts required to locate parties authorized to sign agreements and to collect and store these documents have become increasingly burdensome. To address these inefficiencies, UAMS recommends that the Commission consider a web-based solution in which a consortium administrator could enter (and update as necessary) relevant information about each given site, and which would require an electronic signature from a participating individual site or parent organization.

With respect to the timing of submission of LOAs, UAMS supports modifying such timing so that the LOAs are submitted at the request-for-funding commitment stage rather than at the request-for-services stage. The administrative benefits identified by the Commission and USAC appear to warrant such change.

B. Section I(c) - Site and Service Substitution

For the proposed Broadband Services Program, UAMS supports the adoption of the site and service substitutions that have been developed for the Pilot Program. These existing Pilot Program rules permit consortia the flexibility to adapt to changes in their local healthcare environment while still ensuring that the services provided in these programs continue to fall within the scope of the Commission's goals. Accordingly, adoption of these same policies for the proposed Broadband Services Program would be consistent with the public interest.

III. Section II – Inclusion of Urban Sites in Consortia

A. Section II(a) - Proportion of Urban or Rural Sites in Consortia

UAMS respectfully submits that urban HCPs are a crucial component of healthcare networks and, as such, urban HCPs should be eligible for broadband service support in the context of consortia. The rural HCPs that benefit so much from consortia require the specialty services and the administrative support that is typically only available in larger, more urban locations. Therefore, it is crucial to ensure that the Commission's policies are formulated to encourage and induce urban providers to join and remain members of consortia. In recognition of the need for urban site involvement as well as the need to maintain a rural focus for these consortia, UAMS believes that the Commission should consider the adoption of a rule requiring more than 50% of the funds per funding year to go toward rural sites. Such a 50%+ rural threshold would help ensure that rural sites benefit from the majority of the consortia funds, while also ensuring continued access to critical specialty services and administrative support from urban HCP sites.

B. Section II(c) - Impact on Fund

Based on UAMS' experience in its Pilot project and BTOP network, even if urban locations make up almost 40% of a consortium, their costs may only comprise approximately 15% of the funds designated for connectivity due to the fact that the average urban connectivity costs are less than a third of the costs for rural sites. Therefore, the entire consortium receives an extremely high benefit from the participation of urban sites relative to the low proportion of the funds allocated for such sites.

C. Section II(d) - Impact on Network Design

As noted by USAC, the hub-and-spoke configuration common to Pilot projects often involves an urban hub. However, it is important to note that *a single network may include multiple hubs, many of which will be located in urban areas*. As healthcare reform efforts continue to prompt greater collaboration among and across HCPs, broad consortia are likely to see networks forming within networks. Each of the hubs that develop within these networks is crucial to the survival of the outlying spoke sites, which will frequently be located in rural areas. Therefore, urban sites must not be excluded from funding under the Broadband Services Program, as such decision would severely disrupt the multi-hub network design necessitated in many cases and make unavailable the technological and healthcare expertise provided by many urban HCPs.

D. Section II(f) - Grandfathering of Urban Sites Already Participating in Pilot Projects

As discussed above, UAMS supports urban site access to funding in a consortium context with respect to the proposed Broadband Services Program. In the event, however, that the Commission chooses not to provide such funding as a general rule, UAMS supports a policy that would allow urban sites that are currently receiving funding

through a Pilot project to be allowed to continue to receive funding when the urban sites' corresponding consortia transition to the Broadband Services Program. If these sites are not "grandfathered" into the Broadband Services Program, the existing consortia - that have begun to function so effectively - will be at risk of dissolving completely as the urban sites would likely drop out of their consortia and the rural sites who were relying upon the expertise of the urban sites would lose much of their motivation for continuing to participate in their consortia as well.

IV. Section III – Eligible Services and Equipment

A. Section III(b) - Eligible Non-Recurring Costs

UAMS supports the recommendation of the American Telemedicine Association that the Broadband Services Program support the costs of routers and bridges associated with the installation of broadband services to an eligible health care provider, and that the Commission allow such providers to work together to purchase equipment through joint, cooperative bidding procedures in order to allow for more efficient purchasing of network equipment costs. In addition to routers and bridges, UAMS further supports similar support for firewalls and switches as referenced by USAC. By helping to defray the initial installation costs associated with joining a healthcare consortium, the Commission will encourage organizational growth and help to create greater value for consortium members and healthcare consumers.

B. Section III(c) - Limited Funding for Construction of Facilities in Broadband Services Program

UAMS does not support the usage of Broadband Services Program funds for capital or construction costs. These costs would fall outside of the scope of the Broadband Services Program and allocation of the program's limited resources for

potentially large capital projects would risk depleting the funding that is appropriately set aside for access to broadband services. While construction of new broadband facilities is certainly a necessary activity, funds for these activities should be procured through other programs or traditional financing mechanisms.

C. Section III(d) - Ineligible Sites and Treatment of Shared Services/Costs

UAMS agrees that there are numerous reasons (both healthcare-related and financial) for encouraging the participation of for-profit entities in consortia formed under the proposed Broadband Services Program. Based on UAMS' experiences in the Pilot Program, sustainability and member benefits increase as the portfolio of HCPs broadens within a consortium. While the participation of for-profit entities is desirable, many for-profit HCPs have the same restraints on resources that not-for-profit entities face. Thus, UAMS believes that the Commission should adopt rules which expressly encourage the participation of for-profit consortium members. Finally, UAMS believes that the Commission should require that the allocation of costs of shared services and equipment among consortium members be conducted based on a "reasonableness" standard, without imposing cumbersome and rigid regulatory requirements.

V. Section IV – Competitive Bidding Process and Related Matters

A. Section IV(d) - Existing Master Services Agreements

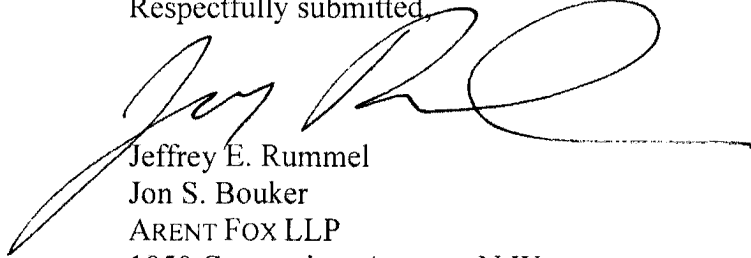
UAMS believes that the Commission should permit applicants for the Broadband Services Program to take services from a Master Services Agreement (MSA), as long as the original contract was awarded through a competitive process, including any MSA that was negotiated during the Pilot project. This rule would continue to ensure fair,

competitive pricing while allowing consortia to avail themselves of favorable, negotiated rates without accruing additional undue administrative costs.

VI. Conclusion

For the foregoing reasons, UAMS respectfully requests that the Commission adopt rules consistent with the above comments.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeff Rummel", with a long horizontal flourish extending to the right.

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